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**From:**

**Sent:** Friday, December 10, 2010 4:06:01 PM

**To:**

**Cc:**

**Subject:** RE: Counsel Opinion Requested of

Sorry for the delay. This follow up question had fallen off my radar. I double checked with the counsel SMEs and their view is that a taxpayer who completes construction and occupies a new home on land with a previous home that the taxpayer owned and used for the required time can qualify for the \$6,500 credit as a long-time resident. In this case, the taxpayer would not include any basis in the land as part of the purchase price of the new home because the purchase of the land was not sufficiently proximate in time to the construction of the new home.

Please let me know if you have additional questions.